GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3383
ANSWERED ON:23.12.2008
SUPPLY OF IRON ORE TO DOMESTIC STEEL PRODUCERS
Badiga Shri Ramakrishna

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether any request from the Indian Chamber of Commerce has been received for directing the public sector mining companies to prioritise supply of iron ore to domestic steel producers at reasonable rate;

(b) if so, the details thereof;

(c) whether the Government proposes a benchmark of prices in the long-term interest of the steel sector; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR)

(a) to (d): The Indian Chamber of Commerce has submitted a report to the Government giving an overview of the role of the iron ore in the development of steel industry in India. In the report, a request has been made to the Government to issue directive to all public sector mining companies to accord priority for supply of iron ore for domestic industry under long- term contracts wherein pricing can be linked to the cost of mining and a reasonable Return On Investment (ROI). Such prices may be subject to cost escalation annually. There is no proposal at this time under consideration of the Government for putting a benchmark on Iron ore prices.